

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 23, 2003**

**TO:** Honorable Teel Bivins, Chair, Senate Committee on Finance

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB657** by Brimer (Relating to the treatment of captured appraised value and tax increment in the calculation of ad valorem tax rates for a taxing unit.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would repeal Subsection (b), relating to the treatment of captured appraised value and tax increment in the calculation of ad valorem taxes for certain units of local government. The repeal would permit all taxing units to exclude from the effective and rollback rate calculations the portion of appraised value of real property that corresponds to the portion of the tax increment the unit has agreed to pay into a tax increment finance fund (TIF).

Currently school districts and counties with a population of less than 500,000 are permitted to exclude captured value from truth-in-taxation calculations.

Since the bill would not impact school districts, no impact to the State is anticipated.

**Local Government Impact**

Passage of this bill could affect the property rates of taxing units that are not currently permitted to exclude captured TIF value from their truth-in-taxation calculations. However, no significant impact to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

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